

JOINT ECONOMIC MANAGEMENT COMMITTEE (JEMCO)

DUTIES

Per Article III of the Amended Compact the duties of JEMCO shall be to:

“- Review the Development Plan and other planning and budget documents of the Government of the Federated States of Micronesia, and monitor the progress made by the Government of the Federated States of Micronesia toward sustainable economic development and budgetary self-reliance in relation to its written goals and performance measures;

- Consult with providers of United States Federal Grant programs and services and other bilateral and multilateral partners to monitor the use of development assistance from all sources—as it relates to the allocation of financial assistance under the Compact, as amended;

- Review Audits called for in the Compact, as amended, or this Agreement and actions taken or being taken to reconcile problems and qualified findings;

- Review performance outcomes and other reported data in relation to the previous year’s Grant funding levels, terms, and conditions;

- Review and approve Grant allocations, performance objectives, and, where appropriate, assessment tools, for the upcoming year;

- Review and approve any change proposed by the Government of the Federated States of Micronesia to the sectors to receive economic assistance set forth in Title Two of the Compact, as amended;

- Evaluate progress, management problems and any shifts in priorities in each sector, and identify ways to increase the effectiveness of United States assistance;

- Review quarterly trust fund investment reports;

- Comment on the comprehensive report prepared by the Government of the Federated States of Micronesia as required by section 214 of Title Two of the Compact, as amended, before it is submitted to the President of the United States; and

- Attach special conditions to any or all annual Grant awards to improve program performance and fiscal accountability, and ensure progress toward macroeconomic goals.

The Committee shall meet at least once annually but no later than 30 days before the beginning of each Fiscal Year.

Sector Grant allocation decisions of the Committee shall be binding. In the event that the Government of the Federated States of Micronesia overrides all or part of these decisions,

the Government of the United States may withhold Grant payments until the issues in dispute are resolved.

Each government shall provide the necessary staff support to its representatives on the Committee, to enable the parties to monitor closely the use of assistance under the Compact, as amended. No United States funding shall be used to support the travel or honoraria of Committee members from the Government of the Federated States of Micronesia, or any special salaries paid for serving as members of the Committee.

In making decisions concerning the use of funds in the Supplemental Education Grant, the Committee shall take appropriate account of plans for such use initiated by (i) the Government of the Federated States of Micronesia; (ii) the agreement between the United States Secretaries of Education, Health and Human Services, Labor, and the Interior; and (iii) Article II, Paragraph 1(a)(2) of this Agreement.”